United Nations A/63/600

General Assembly

Distr.: General
11 December 2008

Original: English

Sixty-third session
Agenda item 117
Review of the efficiency of the administrative and financial functioning of the United Nations

Proposed programme budget outline for the biennium 2010-2011

Report of the Secretary-General

Summary

In its resolution 41/213, the General Assembly, inter alia, requested the Secretary-General to submit, in off-budget years, an outline of the proposed programme budget for the following biennium. Accordingly, the outline for the biennium 2010-2011 is hereby submitted. The level of the contingency fund for 2010-2011 is recommended to be set at 0.75 per cent of the overall level of the proposed programme budget outline.

08-64396 (E) 161208

I. Introduction

1. In accordance with the provisions of annex I to General Assembly resolution 41/213, the Secretary-General submits, in off-budget years, an outline of the programme budget for the following biennium, which should contain an indication of the following:

(a) Preliminary estimate of resources to accommodate the proposed programme of activities during the biennium;

(b) Priorities, reflecting general trends of a broad sectoral nature;

(c) Real growth, positive or negative, compared with the previous budget;

(d) Size of the contingency fund expressed as a percentage of the overall level of resources.

The outline for the biennium 2010-2011 is hereby submitted.

II. Preliminary estimate of resources needed to accommodate the proposed programme of activities during the biennium

2. In establishing a preliminary estimate of resources for the biennium 2010-2011, the approved level of appropriations and related commitments, namely $4,207.6 million, was taken as the starting point. These existing provisions consist of: (a) the initial amount of $4,171.4 million appropriated by the General Assembly in its resolutions 62/237 A-C; and (b) subsequent additional appropriations of $36.2 million approved by the Assembly for the funding of special political missions in resolution 62/245. The preliminary estimate, expressed in initial 2008-2009 prices, has been arrived at as follows.

(Millions of United States dollars)

Appropriation for 2008-2009[a]		4 207.6
Plus: full provision for new posts approved in 2008-2009 (see para. 3)	44.3	
Less: one-time costs in 2008-2009 (see para. 5)	(31.4)	
Plus: provision for new or expanded activities/events foreseen and/or mandated in 2010-2011 (see para. 12)	7.2	
Changes		**20.1**
Subtotal		**4 227.7**
Additional provision required for special political missions at the current programme level		**390.2**
Preliminary estimate for established activities 2010-2011		**4 617.9**

[a] Includes the initial appropriation (General Assembly resolutions 62/237 A-C) and subsequent appropriations (resolution 62/245).

A. Full provision for new posts

3. In its resolution 59/278, the General Assembly endorsed the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (A/59/415) on the proposed programme budget outline, including the continuation of the practice of costing provisions for new posts at 50 per cent for the Professional level and above and 65 per cent for the General Service and related categories. Consequently, the full biennial provision in 2010-2011 for those posts that were newly established in the biennium 2008-2009 and at present are only partially funded would require an additional $44.3 million in the biennium 2010-2011. This additional provision is required to maintain the regular budget established post staffing table at the same level of posts as has been already approved for 2008-2009.

4. The additional requirements of $44.3 million relate mainly to part I, Overall policymaking, direction and coordination, in connection with the strengthening of the administration of justice system and of conference services so as to provide for quality control in relation to the increasing outsourcing of translation of documents ($12.9 million). The additional requirements also pertain to part VI, Human rights and humanitarian affairs, in connection with the strengthening of the management structure of the Office of the United Nations High Commissioner for Human Rights and the United Nations Relief and Works Agency for Palestine Refugees in the Near East ($11.1 million). The balance of the provision for delayed impact is distributed among the various other parts of the budget in varying degrees, including part II, Political affairs, part V, Regional cooperation for development, part VIII, Common support services, and part IX, Internal oversight.

B. One-time costs in the biennium 2008-2009

5. One-time costs in the biennium 2008-2009 amounting to $31.4 million would not be required. Such provisions, which were included and approved in the context of the consideration of the proposed programme budget, amount to $12.0 million, relating mainly to: (a) construction, alteration and improvement costs associated with the United Nations enterprise network at Headquarters and the United Nations Office at Vienna; (b) the implementation of the International Public Sector Accounting Standards (IPSAS), including training; (c) the preparatory work on the Twelfth United Nations Congress on Crime Prevention and Criminal Justice and the resumed session of the Commission on Crime Prevention and Criminal Justice; (d) the acquisition and replacement of equipment for the United Nations Military Observer Group in India and Pakistan; (e) the acquisition by the International Court of Justice of the Electronic Document and Records Management System; and (f) the acquisition of security and safety equipment at Headquarters. One-time costs amounting to $7.2 million were also approved for 2008-2009 in connection with a number of revised estimates that were submitted by the Secretary-General after the proposed programme budget was prepared but that formed part of the initial appropriation as approved. Other one-time costs totalling $12.2 million relate to decisions of the Human Rights Council and various statements of programme budget implications approved for 2008-2009, including conference-servicing provisions for the Committee on the Elimination of Discrimination against Women and the acquisition of proprietary software relating to oceans and the law of the sea. For the purpose of

the present report, all costs provided in 2008-2009 for special political missions have been treated as being of a recurrent nature, consistent with the recommendation of the Advisory Committee on Administrative and Budgetary Questions that the methodology reflect the recurrent nature of the provision (see A/60/7, para. 40).

C. Provision for programme changes in the biennium 2010-2011

6. During the biennium 2010-2011, it is expected that resources will be required to cover the continuing costs of the implementation of an enterprise resource planning system, training related to the implementation of IPSAS, which, owing to the delay in IPSAS implementation, will not be undertaken at the level anticipated in 2008-2009 and will gain momentum during the biennium 2010-2011 and the continued strengthening of the United Nations Office at Nairobi and the Office of the United Nations High Commissioner for Refugees in accordance with prevailing resolutions. Relevant estimated requirements are also included for the holding of the Twelfth United Nations Congress on Crime Prevention and Criminal Justice and the Fourth United Nations Conference on the Least Developed Countries, as well as for public information support related to the holding of other conferences and meetings.

7. It is also anticipated that additional requirements will arise with regard to the operations of the International Court of Justice. In this connection, it will be recalled that in accordance with regulation 2.14 of the Financial Regulations and Rules of the United Nations, the programme budget proposals of the Court are prepared by the Court in consultation with the Secretary-General and shall be submitted to the General Assembly by the Secretary-General, together with such observations as he or she deems desirable.

8. In addition to the foregoing, resource requirements are anticipated in connection with a strengthened and unified security management system for the United Nations. In this regard, it will be recalled that by its resolution 61/263, the General Assembly emphasized the need for a comprehensive safety and security policy framework at the United Nations. The Secretary-General was requested to report to the Assembly at the first part of its resumed sixty-second session on a wide range of issues.

9. Following the attack on the United Nations offices in Algiers on 11 December 2007, the Secretary-General appointed an independent panel to establish all the facts concerning the attack and to address strategic issues vital to the delivery and enhancement of staff security in United Nations operations worldwide.

10. As the outcome of the review and the findings of the Independent Panel on Safety and Security of United Nations Personnel and Premises Worldwide would have an impact on the safety and security policy framework at the United Nations, it was deemed appropriate to delay the report requested in resolution 61/263 in order to present a comprehensive security approach for consideration by Member States.

11. The report of the Independent Panel was presented to the Secretary-General in June 2008. It recommends, inter alia, that the Under-Secretary-General for Safety and Security conduct a management review of the organization of the Department of Safety and Security. The review is currently under way, and the findings will be presented to the General Assembly in 2009. In the interim, resources are foreseen

for those elements of security which require immediate consideration and which are not likely to be affected by the outcome of the management review.

12. As a result of the strengthening of the areas described above, together with efforts for realignment, net projected requirements amounting to a 0.2 per cent growth in programme resources, or $7.2 million, are foreseen for 2010-2011.

D. Special political missions

13. Requirements for the funding of special political missions have increased significantly in recent years. In the bienniums 2004-2005, 2006-2007 and 2008-2009, provisions proposed in the context of the programme budget outline amounted to $110.2 million, $180.0 million and $284.6 million respectively. Taking into account the expansion of special political requirements and in line with the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget outline for 2008-2009 (A/61/615), the General Assembly, in its resolution 61/254, endorsed the recommendation of the Advisory Committee as contained in paragraph 11 of its report for a preliminary estimate of some $4.2 billion for the biennium 2008-2009, including a provision of $604.1 million for special political missions related to peace and security expected to be extended into or approved during the course of the biennium 2008-2009.

14. By its resolution 62/238, the General Assembly decided to reduce the overall provision for special political missions for the biennium 2008-2009 by some $200.2 million and approved a charge totalling $386.6 million against the amount appropriated for special political missions under section 3, Political affairs, under the terms of Assembly resolution 62/237 A. This provision was subsequently adjusted by the Assembly in its resolution 62/245, whereby it approved additional budgets for special political missions for 2008 totalling $49.0 million, took note of the balance of $17.3 million in the overall provision for special political missions and appropriated an additional amount of $31.6 million for special political missions to provide total resources for 2008 amounting to $435.5 million.

15. On the basis of the experience in the current biennium adjusted for missions whose mandates have been completed or discontinued, it is estimated that the full biennial provision in 2010-2011 for special political missions existing in 2008-2009 would amount to $825.7 million. While the present composition of special political missions will change somewhat in 2010-2011, it is not anticipated that the overall level will trend downward. The maintenance of the initial provision of $435.5 million for 2010-2011 would seriously and materially underestimate likely requirements as it would provide slightly less than half of currently anticipated biennial requirements. Accordingly, an increase of $390.2 million is included in the outline estimate, which would provide funding for special political missions at a level of $825.7 million in 2010-2011.

16. It should be noted that special political missions clearly exhibit characteristics that set them apart from other activities of the Organization financed from the regular budget. The structures in each of the missions do not form a part of the organizational structure of the United Nations Secretariat. Their activities are directed towards operational matters and as such do not lend themselves to full integration with the programme of work of the Secretariat. Because of their unique characteristics, special political missions are not treated in accordance with the

Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. The procedures followed for the initiation of the missions, whether through the Security Council or the General Assembly, do not follow the programme planning and budgeting cycle of the regular budget. Furthermore, special political missions may be approved at any time of the year. Accordingly, their timing and related resource requirements have consistently proven almost impossible to predict accurately. Under the circumstances, the Assembly may wish to consider whether special political missions are amenable to treatment under the present regular budget procedures for estimating requirements in the budget outline and subsequent programme budgets.

E. Summary

17. Consistent with established practice, the detailed programme budget proposals for 2010-2011 will maintain a focus on ensuring that resources are committed in support of accomplishments expected for the period and objectives established by Member States. The budget preparation process will continue to include a detailed review of programme outputs to ensure their contribution and relevance, under approved strategies, for the fullest possible achievement of expected accomplishments consistent with the application of regulation 5.6 of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation. Thus, the budget proposals will reflect the benefit of further reviews of possible obsolete activities, additional cost-effective measures and simplified procedures.

18. The requirements set out in the present outline are subject to recosting, prior to their approval by the General Assembly, to reflect, inter alia, changes owing to inflation and exchange rates for the biennium 2010-2011.

III. Priorities reflecting general trends of a broad sectoral nature

19. In the proposed strategic framework for the period 2010-2011 (A/63/6 (Part one)), the following priorities were proposed: promotion of sustained economic growth and sustainable development in accordance with relevant General Assembly resolutions and recent United Nations conferences; maintenance of international peace and security; development of Africa; promotion of human rights; effective coordination of humanitarian assistance efforts; promotion of justice and international law; disarmament; and drug control, crime prevention and combating international terrorism in all its forms and manifestations. **It is proposed that the programme budget for the biennium 2010-2011 also manifest those priorities.** The proposed distribution of resources by budget part is set out in the annex.

IV. Real growth compared with the previous budget

20. **The preliminary estimate ($3,792.2 million), before the inclusion of special political missions, represents an increase of $20.1 million, or 0.5 per cent, compared with the approved appropriations and related provisions for the biennium 2008-2009. Once account is taken of the full inclusion of required provisions for special political missions, the total preliminary estimate of $4,617.9 million would represent an increase of $410.3 million, or 9.8 per cent, compared with existing provisions for the biennium 2008-2009.**

V. Size of the contingency fund

21. The size of the contingency fund was set at 0.75 per cent of the overall level of resources for the first outline and all subsequent ones. It is recommended that the level again be set at 0.75 per cent, or $34.6 million, for the biennium 2010-2011.

VI. Other issues

22. As at the time of the submission of the present report, there are several initiatives of which the General Assembly is currently seized or on which reports are expected to be submitted by the Secretary-General. Those items, when considered and if adopted, will have a significant bearing on the level of the proposed programme budget for the biennium 2010-2011. These items include proposals on the administration of justice, costs associated with the capital master plan, the strengthened and unified security management system, after-service health insurance, construction in Baghdad and the study for the strategic heritage plan in Geneva. However, the extent of such requirements is dependent on decisions yet to be taken by the Assembly.

Annex

Preliminary indicative estimates for the biennium 2010-2011

(Millions of United States dollars)

Expenditures by part of programme budget	*2008-2009 appropriation*[a]	*Resource change*		*Total*
		Amount	*Percentage*	
I. Overall policymaking, direction and coordination	718.6	(7.3)	(1.0)	711.3
II. Political affairs (not including special political missions)	222.2	0.4	0.2	222.6
III. International justice and law	87.3	—	—	87.3
IV. International cooperation for development	398.4	0.4	0.1	398.8
V. Regional cooperation for development	477.1	0.5	0.1	477.6
VI. Human rights and humanitarian affairs	259.2	11.8	4.5	271.0
VII. Public information	184.0	(2.1)	(1.1)	181.9
VIII. Common support services	540.2	4.8	0.9	545.0
IX. Internal oversight	36.0	2.8	7.7	38.8
X. Jointly financed administrative activities and special expenses	108.4	—	—	108.4
XI. Capital expenditures	58.8	(6.7)	(11.3)	52.1
XII. Safety and security	197.2	10.2	5.2	207.4
XIII Development Account	18.7	—	—	18.7
XIV. Staff assessment	466.0	5.3	1.1	471.3
Regular budget established activities 2010-2011	**3 772.1**	**20.1**	**0.5**	**3 792.2**
Provision for special political missions	435.5	390.2	89.6	825.7
Total	**4 207.6**	**410.3**	**9.8**	**4 617.9**

[a] Includes the initial appropriation (General Assembly resolution 62/237 A) and subsequent additional appropriations for special political missions (General Assembly resolution 62/245).